

NSC BRIEFING

4 May 1958

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SOUTH VIETNAM

- I. *L* Dilemma for Diem is to retain support of fire-eating "revolutionary nationalists" while maintaining working relationship with French and perhaps Bao Dai.
- II. French officials stress "Bolshevik" orientation of Peoples Revolutionary Committee which sprang up amid fighting and gave support to Diem.
- A. Allegations that revolutionary committee Communist-influenced so far unsubstantiated.
 - B. Two or three members reportedly worked with Viet Minh some time before 1953, but current orientation consistently anti-Communist.
 - C. Appears to be instrument of political aspirations of Cao Dai and Hoa Hao elements who have remained loyal to government.
- III. Diem unwilling to repudiate committee because:
- A. Its strongly anti-French, anti-Bao Dai line provides him political lever in dealing with French and Bao Dai.
 - B. Its propaganda has great appeal for Vietnamese.
 - C. Loyal sect elements represented in it account for about 19,000 troops.

- 1. Not clear how recent death in battle of Cao

Dai general Trinh Minh The will affect loyalty his forces

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IV. Diem nevertheless favors more moderate approach to French and Bao Dai.

- A. Both Diem and the French are agreed that trouble between them can only aid the Viet Minh, but embassy has been unable to effect reconciliation.
- B. Diem wants certain commitments from French--that they dissociate themselves from Binh Xuyen and expel Binh Xuyen contingents from positions in French sector--as condition for his curbing anti-French feeling.
- C. Ely, is unresponsive, pictures Diem as anti-French fanatic on whom all blame for bloodshed rests; says Binh Xuyen can leave French sector whenever they want to.
- D. Diem strategy is to convoke congress of some 1,000 representatives, ask them for mandate, thus by-passing Bao Dai problem and curbing extremist elements.
- E. In pinch, Diem could probably rely on army to prevent seizure of power by revolutionary committee.

V. Meanwhile, only cleanup operations left in fight against Binh Xuyen.

- A. Binh Xuyen reportedly will attempt to hold out about 10 miles south of Saigon.
- B. If driven from there, will retreat to coastal area.
- C. Our army attaché rates VNA performance very satisfactory.

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